

CONGRATULATIONS TO THIS YEAR'S WINNERS OF THE NOBEL PEACE PRIZE

By

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As the Nobel Committee awarded the Nobel peace prize to Muhammad Yunus and the Grameen Bank, we are all reminded again of the important role micro enterprises can play in economic development and poverty reduction. In this era of globalization, we face the dual development challenges of generating economic growth and reducing poverty.

The United States has long supported the extraordinary work of Dr. Yunus. In 1965, as a young economist, Dr. Yunus received a Fulbright scholarship from the Department of State to study Economics at Vanderbilt University. Micro enterprise development has been an important component of U.S. foreign assistance for over thirty years. The United States has supported Micro and Small Enterprises (MSES) through assistance programs which provide access to financial and business services; Facilitate participation in markets; and enable the poor to participate in business development. Around the globe, the U.S. is the leading bilateral donor for micro enterprise development, which includes microfinance. Last year we provided \$211 million in micro enterprise assistance. These funds have acted as a catalyst for additional funding by banks, other private sources, and multilateral institutions, thereby making more resources available for sound business initiatives by the world's poorest citizens.

The United States Agency for International Development (USAID), the primary civilian foreign assistance agency of the U.S. government, provides micro enterprise funding for more than 3.8 million entrepreneurs and households throughout the world. USAID accomplishes this assistance in a variety of ways: by supporting NGOs credit union networks and financial institutions. Microfinance projects particularly assist women in developing countries, who have traditionally had limited access to conventional financing. They also allow them to take advantage of the benefits of globalization through increased export opportunities.

As MSES expand and integrate into the formal economies of their countries, they empower and transform the lives of the world's poor, both women and men, create more jobs and higher incomes, contribute to economic growth and strengthen democratic societies. In announcing the award, the Norwegian Nobel Committee stated "every single individual on earth has both the potential and the right to a decent life. Across cultures and civilizations, Yunus and Grameen Bank have shown that even the poorest of the poor can work to bring about their own development."

The Nobel Prize is recognition of the key role micro finance plays in alleviating poverty and empowering citizens. As the Nobel Committee noted in its announcement, "lasting peace can not be achieved unless large population groups find ways in which to break out of poverty. Micro credit is one such means. Bottom up development from the grassroots level also serves to advance democracy and human rights." Muhammad Yunus and Grameen Bank have helped to create the enabling conditions for economic and social development from below. We salute them for their efforts to alleviate poverty and promote prosperity through innovative micro financing and we look forward to working cooperatively with Dr. Yunus and the micro finance community in the future.

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